

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007

	August-07				July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY07	Ended	Ended
		Actual	Policy			Actual	Policy		Net ROR	Net ROR	6/30/2007	6/30/2007
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	1,365,982	2.7%	2.7%	1.14%	1,365,920	2.7%	2.7%	-3.21%	-2.10%	21.75%	13.79%	N/A
Total Structured Growth	1,365,982	2.7%	2.7%	1.14%	1,365,920	2.7%	2.7%	-3.21%	-2.10%	21.75%	13.79%	11.59%
Russell 1000 Growth				1.59%				-1.55%	0.02%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	1,561,319	3.1%	3.0%	1.16%	1,542,975	3.0%	3.0%	-4.79%	-3.69%	23.29%	19.11%	16.46%
Russell 1000 Value				1.12%				-4.62%	-3.56%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	1,443,738	2.8%	2.8%	0.85%	1,431,436	2.8%	2.8%	-3.82%	-3.00%	20.43%	13.31%	11.77%
Russell 1000				1.36%				-3.09%	-1.77%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	1,318,665	2.6%	2.6%	1.55%	1,298,305	2.5%	2.6%	-3.90%	-2.42%	19.26%	11.40%	10.53%
Westridge	1,714,340	3.4%	2.6%	1.54%	1,689,045	3.3%	2.6%	-1.62%	-0.10%	21.05%	12.00%	11.00%
Wells Capital	1,111,652	2.2%	2.0%	1.91%	1,080,126	2.1%	2.0%	-4.75%	-3.02%	30.71%	N/A	N/A
Franklin	984,257	1.9%	2.0%	1.74%	966,843	1.9%	2.0%	-4.38%	-2.73%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	5,128,913	8.2%	9.2%	1.64%	5,044,319	8.0%	9.2%	-3.43%	-1.85%	21.56%	11.94%	11.24%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	274,825	0.5%	0.9%	0.92%	272,587	0.5%	0.9%	N/A	N/A	N/A	N/A	N/A
S&P 500				1.50%				-3.10%	-1.65%			
<i>S&P 500 Index</i>												
State Street	680,894	1.3%	1.4%	0.81%	674,996	1.3%	1.4%	-4.08%	-3.31%	21.86%	12.41%	11.15%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	10,455,670	20.6%	20.0%	1.30%	10,332,233	20.2%	20.0%	-3.70%	-2.45%	21.66%	13.61%	12.15%
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	4,121,343	8.1%	8.6%	0.89%	4,472,721	8.8%	8.6%	-7.14%	-6.31%	17.13%	13.31%	14.32%
Russell 2000 + 200bp				2.43%				-6.67%	-4.40%	18.76%	15.72%	16.16%
Callan	1,800,380	3.5%	3.4%	1.46%	1,835,802	3.6%	3.4%	-5.30%	-3.91%	21.00%	N/A	N/A
Russell 2000				2.27%				-6.84%	-4.73%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	5,921,723	11.6%	12.0%	1.06%	6,308,522	12.4%	12.0%	-6.60%	-5.62%	17.89%	13.50%	14.44%
Russell 2000				2.27%				-6.84%	-4.73%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	549,429	1.1%	1.1%	-2.31%	562,073	1.1%	1.1%	-1.25%	-3.52%	27.82%	20.73%	15.09%
MSCI EAFE (1)				-1.56%				-1.47%	-3.01%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	1,661,927	3.3%	3.3%	-2.56%	1,707,197	3.3%	3.3%	-1.97%	-4.47%	26.04%	21.52%	14.83%
LSV	1,648,382	3.2%	3.3%	-2.87%	1,696,932	3.3%	3.3%	-1.92%	-4.74%	29.94%	N/A	N/A
Bank of Ireland	547,483	1.1%	1.1%	-3.69%	568,249	1.1%	1.1%	-1.49%	-5.12%	25.29%	19.70%	13.72%
Total Large Cap - Active	3,857,791	7.6%	7.7%	-2.85%	3,972,378	7.8%	7.7%	-1.88%	-4.68%	27.58%	22.64%	15.45%
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	527,629	1.0%	1.1%	-5.06%	556,249	1.1%	1.1%	0.24%	-4.83%	24.18%	22.99%	21.28%
Wellington	547,386	1.1%	1.1%	-5.17%	578,046	1.1%	1.1%	0.13%	-5.05%	26.62%	20.49%	21.40%
Total Small Cap - Active	1,075,015	2.1%	2.2%	-5.12%	1,134,295	2.2%	2.2%	0.18%	-4.94%	25.39%	21.75%	21.34%
Citigroup Broad Market Index < \$2BN				4.60%				1.20%	5.86%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	5,482,235	10.8%	11.0%	-3.25%	5,668,747	11.1%	11.0%	-1.41%	-4.62%	27.21%	22.14%	16.66%
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	203,017	0.4%	0.3%	-0.55%	204,455	0.4%	0.3%	2.34%	1.78%	46.07%	N/A	N/A
PanAgora	199,345	0.4%	0.3%	-2.48%	204,282	0.4%	0.3%	6.13%	3.51%	46.34%	N/A	N/A
WestLB	197,538	0.4%	0.3%	-4.16%	205,605	0.4%	0.3%	6.60%	2.16%	42.11%	N/A	N/A
UBS	348,067	0.7%	0.6%	-0.70%	350,279	0.7%	0.6%	3.44%	2.71%	42.04%	N/A	N/A
Total Core	947,966	1.9%	1.6%	-1.78%	964,620	1.9%	1.6%	4.42%	2.56%	43.90%	37.74%	29.07%
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	219,103	0.4%	0.4%	-4.23%	228,630	0.4%	0.4%	4.80%	0.36%	68.14%	N/A	N/A
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%		
<i>Private Equity</i>												
Capital International	8,846	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets												
TOTAL EMERGING MARKETS EQUITY	1,175,916	2.3%	2.0%	-2.25%	1,193,250	2.3%	2.0%	4.49%	2.14%	48.23%	38.70%	29.61%
MSCI Emerging Markets				-2.09%				5.33%	3.12%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,661,122	3.3%	3.1%	0.48%	1,652,117	3.2%	3.1%	0.35%	0.84%	7.00%	4.29%	5.59%
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	3,005,033	5.9%	7.3%	1.42%	2,962,459	5.8%	7.3%	1.07%	2.52%	5.69%	3.78%	4.49%
Total Index	3,005,033	5.9%	7.3%	1.42%	2,962,459	5.8%	7.3%	1.07%	2.52%	5.69%	3.92%	4.50%
Lehman Gov/Credit				1.28%				1.00%	2.29%	6.00%	3.64%	4.69%
<i>Convertibles</i>												
Calamos (2)	1,720,237	3.4%	3.1%	1.81%	1,693,448	3.3%	3.1%	-2.22%	-0.45%	N/A	N/A	N/A
Total Convertibles	1,720,237	3.4%	3.1%	1.81%	1,693,448	3.3%	3.1%	-2.22%	-0.45%	12.55%	5.57%	3.31%
Merrill Lynch All Convertibles (3)				-0.12%				-2.40%	-2.51%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	1,657,048	3.3%	3.1%	1.01%	1,639,325	3.2%	3.1%	-0.14%	0.87%	9.12%	5.96%	6.71%
Lehman BBB				1.06%				-0.06%	1.00%	7.54%	4.47%	6.43%

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	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY07	Ended	Ended
		Actual	Policy			Actual	Policy		Net ROR	Net ROR	6/30/2007	6/30/2007
											Net	Net
Private Debt												
Prudential	1,684,783	3.3%	3.1%	1.13%	1,665,586	3.3%	3.1%	0.62%	1.76%	7.16%	N/A	N/A
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%		
Timberland												
TIR - Teredo (4)	1,303,525	2.6%	2.6%	-0.06%	1,303,583	2.6%	2.6%	-0.06%	-0.12%	26.95%	12.73%	12.23%
TIR - Springbank	2,759,318	5.4%	5.4%	-0.02%	2,759,921	5.4%	5.4%	-0.02%	-0.05%	26.90%	N/A	N/A
Total Timberland	4,062,843	8.0%	8.0%	-0.03%	4,063,504	8.0%	8.0%	-0.04%	-0.07%	27.33%	26.21%	20.09%
NCREIF Timberland Index				0.76%				0.76%	1.53%	11.89%	15.17%	11.37%
Infrastructure												
JP Morgan	682,895	1.3%	1.3%	-0.07%	682,895	1.3%	1.3%	-1.03%	-1.11%	N/A	N/A	N/A
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
TOTAL DOMESTIC FIXED INCOME	14,473,961	28.5%	29.0%	0.80%	14,359,334	28.1%	29.0%	0.03%	0.82%	12.52%	11.43%	10.17%
HIGH YIELD BONDS												
Core												
Loomis Sayles	1,436,295	2.8%	2.8%	1.44%	1,424,649	2.8%	2.8%	-3.40%	-2.01%	13.37%	11.25%	N/A
Sutter/Wells Capital	1,359,831	2.7%	2.8%	1.44%	1,426,897	2.8%	2.8%	-7.54%	-6.21%	9.82%	8.02%	N/A
Total Core	2,796,126	5.5%	5.7%	1.44%	2,851,546	5.6%	5.7%	-5.44%	-4.08%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Contstrained Index				1.49%				-3.48%	-2.04%	11.22%	8.70%	N/A
Mezzanine Debt												
Goldman Sachs	64,921	0.1%	0.1%	-0.14%	69,585	0.1%	0.1%	-0.14%	-0.29%	7.39%	N/A	N/A
TCW	104,102	0.2%	0.2%	0.00%	104,102	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	169,024	0.3%	0.3%	-0.14%	173,688	0.3%	0.3%	-0.14%	-0.29%	7.39%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				1.49%				-3.48%	-2.04%	11.22%		
TOTAL HIGH YIELD BONDS	2,965,150	5.8%	6.0%	1.36%	3,025,234	5.9%	6.0%	-5.37%	-4.08%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Contstrained Index				1.49%				-3.48%	-2.04%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	2,180,163	4.3%	4.8%	1.16%	2,156,173	4.2%	4.8%	3.18%	4.39%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.23%	6.89%
International Core												
Brandywine	2,220,544	4.4%	4.8%	-0.48%	2,235,504	4.4%	4.8%	1.59%	1.09%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				1.21%				2.79%	4.03%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	4,400,707	8.7%	9.5%	0.33%	4,391,677	8.6%	9.5%	2.36%	2.70%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.27%	6.92%
REAL ESTATE												
INVESTCO												
J.P. Morgan Strategic & Special Funds	2,205,296			-0.04%	2,205,299			-0.04%	-0.08%	14.44%	N/A	N/A
J.P. Morgan Alternative Property Fund	2,304,481			0.77%	2,284,932			-0.09%	0.68%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	537,964			-0.33%	537,964			-0.33%	-0.66%	6.70%	N/A	N/A
TOTAL REAL ESTATE	5,047,741	9.9%	9.5%	0.30%	5,028,195	9.9%	9.5%	-0.09%	0.20%	15.47%	20.09%	15.71%
NCREIF TOTAL INDEX				1.51%				1.51%	3.04%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS												
Coral Partners V	11,181			0.00%	11,568			0.00%	0.00%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	1,599			0.00%	1,639			0.00%	0.00%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	31,635			0.00%	38,889			0.00%	0.00%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	2,605			0.00%	2,662			0.00%	0.00%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	6,607			0.00%	6,750			0.00%	0.00%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	18,156			0.00%	18,550			0.00%	0.00%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	15,126			0.00%	15,454			0.00%	0.00%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	8,505			0.00%	8,690			0.00%	0.00%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	2,657			0.00%	2,927			0.00%	0.00%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	53,655			0.00%	55,033			0.00%	0.00%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	2,699			0.00%	3,585			0.00%	0.00%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	6,345			0.00%	7,010			0.00%	0.00%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	5,241			0.00%	5,355			0.00%	0.00%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	10,136			0.00%	10,797			0.00%	0.00%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	7,842			0.00%	9,490			0.00%	0.00%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	3,045			0.00%	3,577			0.00%	0.00%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	35,308			0.00%	39,815			0.00%	0.00%	62.33%	35.68%	25.84%
Brinson BVCF IV	29,240			0.00%	32,231			0.00%	0.00%	-3.23%	10.47%	6.87%
Adams Street Direct Co-Investment Fund	15,639			0.00%	15,978			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	7,358			0.00%	24,738			0.00%	0.00%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	52,698			0.00%	53,508			0.00%	0.00%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	6,197			0.00%	1,357			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	9,087			0.00%	9,284			0.00%	0.00%	13.96%	-2.58%	-5.68%
Hearthstone MSII	0			0.00%	0			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	4,885			0.00%	4,991			0.00%	0.00%	208.65%	79.05%	N/A
Corsair III	6,022			0.00%	6,758			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	5,996			0.00%	6,699			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	1,377			0.00%	1,541			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	271,875	0.5%	1.0%	0.00%	304,027	0.6%	1.0%	0.00%	0.00%	16.97%	15.16%	7.27%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	640,047	1.3%	0.0%	-0.25%	422,250	0.8%	0.0%	0.33%	0.08%	5.25%	3.91%	3.00%
90 Day T-Bill				0.56%				0.39%	0.95%	5.21%	3.78%	2.76%
TOTAL FUND	50,835,026	100.0%	100.0%	0.34%	51,033,468	100.0%	100.0%	-1.78%	-1.45%	17.02%	13.27%	12.12%
POLICY TARGET BENCHMARK				0.98%				-1.24%	-0.28%	13.28%	9.19%	9.04%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.